

**RECORD OF PROCEEDINGS
OF THE ELECTRIC UTILITY BOARD
GARDNER, KANSAS
Page No. 2014-004
February 6, 2014**

The Electric Utility Board of Gardner, Kansas, met in a Regular Meeting on February 6, 2014 at City Hall. Present were Board Members Schultz, Baldwin, Boyd, Gregorcyk and Moore. City Staff present included Electric Director Krawczyk, Distribution Supervisor McCollum, Electrical Staff Engineer Rose, Administrative Assistant Hawkins and Executive Assistant Hackney. Others present included those listed on the attached sign in sheet and others who did not sign in.

CALL TO ORDER

There being a quorum of Electric Utility Board Members present, the Meeting was called to order at 7:40 p.m. by Chairman Schultz.

PLEDGE OF ALLEGIANCE

Chairman Schultz led those in attendance in the Pledge of Allegiance.

PUBLIC COMMENTS – Members of the public are welcome to use this time to make comments about electric matters or items on the agenda that are not part of a public hearing.

David Francq – 226 Meadowbrook Circle, Gardner, Ks 66030
Francq spoke about his utility bill. This month's bill was the third time in the last 12 months that his electric meter has been misread significantly. There was an 'E' beside the water indicating it was estimated; however there was not an 'E' beside the electric. When one is estimated, are they both? The Board asked if he called Utility Billing and expressed his concern. Francq replied that he wrote a note and placed it in the bill. Each time this occurred, he wrote a note and enclosed it in the bill. He never heard anything from Utility Billing regarding the notes. Since he can read his meter, he discovered that he used 250 K and got billed for 3,009 K. The Board asked if his 12 month rolling average could result in a bill of that magnitude. Francq replied no.

Krawczyk said he would contact Utility Billing, Amy Foster, to discuss this issue. The Board is concerned that this is happening to other residents also, although there should be software in place to catch this type of error.

CONSENT AGENDA

1. Standing approval of the minutes as written for the Meeting on January 2, 2014.

Board Member Boyd made a motion to approve the Consent Agenda.

Board Member Baldwin seconded the motion.

With all of the members present voting in favor of the motion, the motion carried.

NEW BUSINESS

1. Recognize Ryan Beasley for his service to the City of Gardner and the Electric Utility Board. Krawczyk recognized Ryan Beasley for his service to the City and the Board. He shared Ryan's background information and the fact that he is very involved in the community and volunteers freely. He was appointed by Mayor Lehman to the first EUB in 2008 and served until August, 2013. Ryan displayed commitment and dedication to Gardner Energy and the residents of Gardner. His knowledge and presence at the EUB meetings is missed.

Krawczyk presented a crystal desk plaque to Ryan.

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2. Update on Expense Approval process – No handout

Krawczyk shared with the Board information on the updated Purchasing Policy that the City Council passed on February 3rd. He also shared information regarding the changes that were made to the Ordinance which created the Board, essentially removing any approval capability of the Board for purchases. Gardner Energy must now follow the City's Purchasing Policy. He noted that it does change the way Gardner Energy does business.

The Board asked if Gardner Energy Staff were involved in the changes to the Purchasing Policy. Krawczyk replied no. They were not asked for opinions or to assist with that project. The Department Directors approval authority is now \$10,000 and under. It then goes to the City Administrator for approval between \$10,000 and \$25,000. Over \$25,000, the City Council has to approve.

Baldwin feels that the decision was based on feelings only; i.e. opinion. He is disappointed in the fact that the City Council made this decision without GE input and knowing it will impede our best business practices.

Gregorcyk suggested the Board discuss strategies to support Krawczyk and enable him to work within the perimeters he's been given. Discussion among Board Members followed. The question was asked if Bill still had to attend Council Meetings since the EUB cannot effectively approve purchases. Krawczyk replied yes and noted that he does not mind attending and explaining anything the City Council questions. It was asked if he sat around the dais with the other Department Heads. Krawczyk replied no, that he sat in the audience and was called upon for questions. The Board believes that since he is a Department Head/Director, he should sit around the dais, like every other Department Head.

A discussion followed regarding how the new policy would delay the purchase of equipment. They discussed the question of how someone without any electrical background, expertise, would be able to make an informed decision on the purchase of something for Gardner Energy. Keeping a larger inventory of essential items was discussed. The fact that cost/prices are important, but to Gardner Energy and the residents they serve, reliability is much more important. The Board believes they should be entrusted to make decisions. For the past 5 years, they have been very successful.

At the Board's request, Hackney will forward a copy of the new Purchasing Policy electronically.

3. Consider the appointment of a Gardner Energy representative to the Kansas Municipal Energy Agency (KMEA) Board of Directors.

Discussion was held regarding the replacement of the Direction #1 position, which Darrin McNew held prior to his resignation. The term is up April 30, 2015. Krawczyk reviewed the requirements for a replacement, i.e. they must live in the city limits of Gardner and be served by Gardner Energy. The Board was polled. Since Lance Boyd is no longer with KMEA, he stated his interest in this position.

Baldwin made a motion to appoint Lance Boyd as Director #1 to complete McNew's term, expiring April 30, 2015 as a representative of Gardner Energy on the Kansas Municipal Energy Agency (KMEA) Board of Directors.

Gregorcyk seconded the motion.

With all of the members present voting in favor of the motion, the motion carried.

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4. Budget Review – No action necessary

Krawczyk reviewed the Budget information with the Board. He congratulated Staff on holding expenses down. Krawczyk also noted that revenues were down. Moore questioned how budget criteria were compiled. Krawczyk noted that these numbers were preliminary and would be covered in depth once we received the end of year numbers. He noted that there were many line items that went into the total 'Contractual' budget number. Baldwin requested a list of what projects were delayed due to the uncertainty of revenues and the 'movement' of dollars from Electric to General Fund. Krawczyk will supply that list to Baldwin, as well as other Board Members.

5. Miscellaneous – No action necessary

Krawczyk announced that Hackney would be retiring at the end of February. The Board thanked her for her service.

There being no further business to come before the Board, a motion was made by Board Member Baldwin to adjourn.

It was seconded by Board Member Moore.

With all of the members present voting
in favor of the motion, the motion
carried.

The meeting adjourned at 8:20 p.m.

/s/Janet Hackney

Janet Hackney/Executive Assistant